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C O N F I D E N T I A L SECTION 01 OF 03 BEIJING 003173

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C O R R E C T E D C O P Y (CLASSIFIED BY STATEMENT ADDED)
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TAGS: [PREL](#) [PGOV](#) [IN](#) [CH](#)
SUBJECT: PRC: BORDER TALKS WITH INDIA MAKING STEADY
PROGRESS, CHINA CONCERNED ABOUT PRESS REPORTS OF POSSIBLE
QUADRILATERAL MECHANISM

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Classified By: External Unit Chief: Edgard Kagan; Reason 1.4 b & d
Summary

11. (C) The last round of border talks between China and India was the most in depth to date, according to MFA Asian Affairs Department Director for India, Nepal and Sri Lanka Huang Xilian. The two countries' differences on the Eastern section of the border remain quite large. Beijing and New Delhi need to create a better environment for resolving the issue by shaping public opinion. The next round of talks will be held in Beijing before Prime Minister Singh's fall 2007 visit to China. The focus of the February trilateral meeting between India, China and Russia was on finding areas for joint cooperation. As host, India largely determined the direction of the discussions. Noting that that China also has joint exercises with India as well as other regional militaries, Huang said Beijing viewed the April trilateral military exercise between the United States, Japan and India as a "normal" development. Huang raised the issue of the proposed quadrilateral cooperation mechanism between the United States, Japan, Australia and India stating that this is a very sensitive issue in China and arguing it is important for Beijing to be included in regional security mechanisms. End Summary.

10th Round of Border Talks

12. (C) The last round of border talks between China and India was the most in depth to date, stated MFA Asian Affairs Director for India, Nepal and Sri Lanka Huang Xilian during a March 8 meeting with poloffs. The 10th round of border negotiations between China's Special Representative Executive Vice Foreign Minister Dai Bingguo and India's Special Representative National Security Advisor MK Narayanan took place in India April 21-22. Huang noted that this was the fifth round of negotiations since the two countries entered the "second stage" of the resolution process. The two sides are engaged in sensitive negotiations for a package solution to the border issue and still need more time to resolve outstanding issues. The two countries differences on the eastern section of the border remain quite large. India would like to legalize the status quo line of control between it and China, according to Huang, who argued that this is unfair to China and that the status quo must be changed in order to resolve the border issue.

13. (C) India requested that the 10th round of talks be held in India even though it was Beijing's turn to host the negotiations, Huang stated. The next round would definitely be in Beijing and hopefully would produce positive outcomes that could be announced during Indian Prime Minister Singh's possible trip to China in the fall. Expressing hope there would be progress, Huang stressed that the border talks are not linked to positive developments in the overall bilateral relationship or PM Singh's visit.

Need to Shape Public Opinion

14. (C) Beijing and New Delhi pay close attention to the border negotiations and are "torn" over whether to share more details about the on-going talks with their publics. Huang stated that both sides should create a better environment for resolving the talks by shaping public opinion. Huang argued that many people in China want the government to take a tougher line with India on the border agreement, making it harder for Beijing to cede control over what it has said is "sovereign territory." Commenting that India has a similar problem, Huang said Beijing and India need to educate their populaces on the outstanding border issues.

Border Talks Promote High-Level Exchange of Views

15. (C) Huang stated that the Special Representatives mechanism has been a very useful tool for both Beijing and New Delhi. The border talks provide a unique opportunity for the two countries to exchange views on all issues at a high-level. Huang, who attended the 10th round of talks, said EVFM Dai Bingguo and National Security Advisor MK Narayanan have a close and frank working relationship. During the last round of talks, EVFM Dai and National

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Security Advisor MK Narayanan met one-on-one "under a tree" for a considerable time to discuss the sensitivities around the border issue, Huang said. He added that what he knows of this part of the discussion comes entirely from Dai's readout.

Trilateral Meeting Between India-China-Russia

16. (C) New Delhi, Beijing and Moscow issued a joint statement at the conclusion of the last Tri-lateral meeting held in India in February that agreed to explore cooperation on international, economic, trade, energy and agricultural issues where the three sides have common interests, Huang stated. As the host, India largely drove the discussions. India's interest in becoming a member of the Shanghai Cooperation Organization was not raised at this meeting. Noting that the MFA's Department of European Affairs had the lead on the trilateral meetings, Huang said that this was just one of the many mechanisms between Beijing and New Delhi.

Trilateral Exercise a "Normal" Development

17. (C) Despite public concerns expressed in the press and in internet chat rooms, Beijing did not consider the April joint military exercises between the United States, Japan and India as "abnormal" and views them as part of the "normal" development of regional relations, stated Huang. China has held joint exercises with all of the participants and with other regional militaries. Prior to the trilateral exercise, India and China held bilateral naval exercise involving two Indian fleets visiting Qingdao. India also assured China that the exercise was just part of its normal training schedule and did not signal any change in India-China relations. The Chinese public's reaction, however,

demonstrates how sensitive regional issues are in China, Huang said.

Quadrilateral Cooperation is a Different Story

¶8. (C) Raising the issue with poloffs, Huang stated that the proposed quadrilateral cooperation mechanism between the United States, Japan, Australia and India is a "very sensitive" issue in China. First, China is concerned that the mechanism was proposed by Japan. Second, it excludes China and third, it is viewed by some in China as an Asian version of NATO directed at Beijing. Huang stated that it is inevitable that the Chinese public will view any Asian regional security cooperation mechanism that excludes China with suspicion. Speaking personally, Huang said that he is not clear on the motivation or reasoning behind the proposed mechanism. According to Huang, during Deputy Secretary Negroponte's visit to China, Negroponte told EVFM Dai Bingguo that the United States is currently not in favor of the proposal. New Delhi has told Beijing in informal conversations that India will never do anything which will harm China's interests, yet to date there has been no public official statement from the Indian side regarding a possible quadrilateral mechanism. China welcomes positive developments in United States-India bilateral relations but Huang cautioned that it is important for China to be included in regional security mechanisms.

¶9. (C) The development of regional security organizations should promote confidence among all parties and should be conducive to confidence building in the region, Huang said. No matter what China's official position on the grouping is, it will be difficult to develop a "public opinion" that China needs to be sensitive towards the proposed quadrilateral grouping, Huang stated, saying there had been a negative reaction by many Chinese to the 2004 Tsunami Core Group that excluded China. Huang said that the Asian Regional Forum might be better suited to building regional security.

¶10. (C) Stressing our longstanding alliances with Japan and Australia, as well as the great improvements in U.S.-India relations, Poloffs emphasized the U.S. commitment to regional security while noting our a strong interest in exploring areas for cooperation with like-minded countries. Noting that we are unaware of any formal mechanisms and stressing

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our commitment to a candid, constructive and cooperative relationship with China, Poloffs undertook to report Huang's concerns.

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